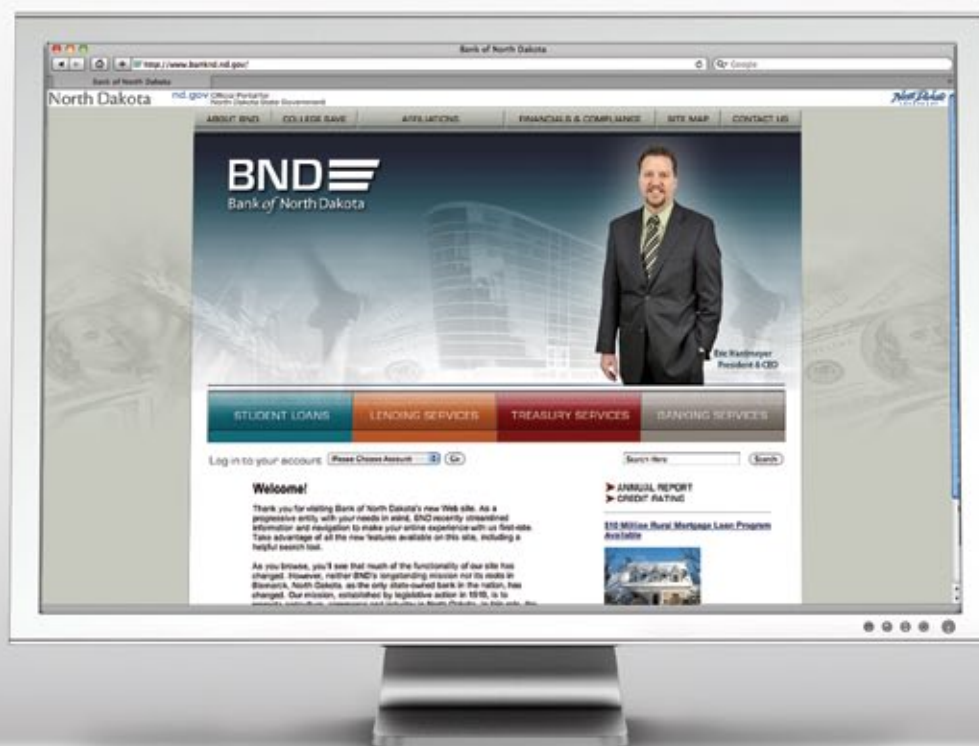


BND Exchange

Volume 8 Issue 1 2010



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Eric Hardmeyer

PRESIDENT'S *Message*

As we close out 2009 and Bank of North Dakota's 90th anniversary, I reflect on an incredible year and BND's long history. Reflection on the past is interesting as comparisons to today are eerily similar.

In 1919 the significant forces in North Dakota politics were led by Robert Townley. He spearheaded a movement to establish and create a political party called the Nonpartisan League, an alliance of farmers organized to secure state control of marketing facilities. This party eventually gained control of the state legislature and began an industrial program which included the creation of Bank of North Dakota and the State Mill and Elevator.

The backdrop at the time BND was created was harsh; World War I was just ending and the great influenza pandemic of 1918 had just swept the nation. A mild recession occurred in 1918, followed by a more severe recession in 1920, creating great civil unrest as anarchists and communists tried to take hold. In the midst of this, Congress passed the 18th amendment which prohibited the manufacture, sale and transportation of alcoholic beverages.

Ninety years later, Congress is tackling tough healthcare issues and is considering bills that would eliminate private lenders from participating in the Federal Family Education Loan Program (FFELP). The swine flu pandemic has made its second pass and we continue with wars in Iraq and Afghanistan. Also, we are struggling with the worst recession since the 1930's and unemployment rates are in excess of 10 percent nationwide.

North Dakota and its residents have fared much better than the rest of the nation; our unemployment rate is the lowest in the nation at 4.1 percent, personal income has achieved parity with the rest of the country and is projected to exceed the U.S. average through 2013. In fact, we are the envy of the nation.

In the last six months BND has hosted newspaper reporters from Japan and Germany, and a public television crew also from Germany. Each was here to determine the same things – what makes North Dakota unique and what are we doing right?

State officials from around the country have contacted us seeking information about the process required to start a state-owned bank. As the sole state-owned bank in the country, I have never thought it would be possible for other states to pursue this avenue. However, as I compare the environments of 90 years ago and today, I wonder. ≡

E. Hardmeyer

BND and NDHFA Team Up to Help Rural Financial Institutions

Bank of North Dakota (BND) and the North Dakota Housing Finance Agency (NDHFA) are jointly offering a \$10 million Rural Mortgage Loan Program, which took effect Jan. 1, 2010. The Rural Mortgage Loan Program will temporarily allow rural financial institutions who do not have FHA approval, to access a pool of \$10 million in order to increase their likelihood of working with local residential home loan borrowers. Home locations that are not in Bismarck, Fargo, Grand Forks, Mandan or Minot are eligible.

Financial institutions may choose to originate the loan or partner with another financial institution with residential lending experience in order to expedite the process.

The program guidelines include:

- Rate equal to BND's Fannie Mae Conventional or NDHFA's FirstHome™ rate
- Maximum loan amount: BND - \$275,000 or NDHFA's FirstHome - \$237,000
- Up to a 30-year term
- 80 percent maximum loan-to-value ratio, rural bank may take a second mortgage up to the maximum combined loan-to-value of 95 percent



- Home must be occupied as primary residence
- FirstHome loans are subject to NDHFA loan terms
- BND or NDHFA will review loan package prior to closing

BND and the Housing Finance Agency worked with the North Dakota Bankers Association (NDBA) to bring financial institutions together to structure a program that would truly benefit those willing to use it.

More information is available at www.banknd.nd.gov/ruralpackage or www.ndhfa.org. ≡

BND Regional Meeting Recap

Bank of North Dakota hosted four regional meetings across the state from mid-October to mid-November of 2009. The sites included Grand Forks, Fargo, Minot and Bismarck. The 172 attendees heard an overview of BND happenings, as well as got program and industry updates from Lending, Banking, Treasury and Student Loan Services. The information and the networking opportunities were the highlights of the meetings according to attendee feedback. ≡



Bismarck location



Minot location

BND

Bank of North Dakota



BND Launches Multiple Web Sites

Have you been to Bank of North Dakota's Web site recently? If so, you noticed a big change! Users who now go to BND's Web site at www.banknd.nd.gov or BND's Student Loan Services at mystudentloanonline.nd.gov will see new sites at those same locations. They each have an entirely new look and helpful information regarding programs and services, account access and much more.

"This bank-wide collaborative effort mainly improved navigation and cohesively streamlined information so that it is located where customers are most likely to look for it," said BND President Eric Hardmeyer. "The project also gives us a framework of multiple sites to meet the multifaceted needs of our growing customer base and partner organizations while being able to expand our information in an organized fashion for years to come."

Student Loans of North Dakota (SLND), the student loan guaranty agency for the State of North Dakota, now has its

own Web site and URL at starthere4loans.nd.gov. Students, parents, high school counselors, lenders and financial aid administrators can now get student loan updates, financial aid presentations, upcoming events, financial literacy tools and resources, debt management assistance and much more easily at SLND's new site.

"SLND is excited to now have its own URL specific to our guarantor priorities and functions," explained Wally Erhardt, associate director of Student Loans of North Dakota. "We hope to be the first stop for anyone looking for college-bound information, taking out and paying back student loans, and managing debt wisely."

In partnership with SLND, and linked to its new site, is the fourth and final site launched by BND. It is the NDCAN site for college planning at www.nd-can.com. The North Dakota College Access Network (NDCAN), administered by the North Dakota University System,

teamed up with SLND's College Information Service (CIS) to provide resources and information to North Dakotans to make the leap from high school to higher education easier.

Also, the Bank is exploring social media. College Information Service now has a presence on Facebook. After launching the page in October, the page now has more than 350 fans who receive regular communication from CIS on topics ranging from scholarships, college planning, financial aid, money-smart tips and more. Discussion and questions can be posted there as well for the staff of CIS to address, or for users to share with each other. It is another useful tool students, parents, teachers, counselors and others can use from CIS. Find CIS on Facebook at www.facebook.com/collegeinformationservice.

The upgraded and improved Web sites for BND and BND Student Loan Services, along with the brand new sites for SLND and NDCAN are a result of two years of analysis, design and programming. Each is easy-to-use with helpful features like breadcrumb trails to aid in navigation and a search feature.

After much planning, the transition was nearly seamless. Users have reported positive experiences with the new sites as well. BND manages these sites, along with several others it has launched within the last couple of years including College Goal Sunday, North Dakota Dollars for Scholars, and the North Dakota Jump\$tart Coalition. ■



CIS: www.facebook.com/collegeinformationservice



**BND Student Loan Services:
www.mystudentloanonline.nd.gov**



**Student Loans of North Dakota:
www.starthere4loans.nd.gov**



**North Dakota College Access Network:
www.nd-can.com**



BND: People Set Us Apart

Wally Erhardt

Wally Erhardt began his career with Bank of North Dakota in Internal Audit Services, and that was 21 years ago. After six years in that area, Wally moved to Student Loans of North Dakota (SLND) where he is currently the associate director.

SLND is a student loan guaranty agency which guarantees federal student loans for a number of banks and the alternative loan program (DEAL) made exclusively through Bank of North Dakota. Besides guaranteeing loans, SLND assists lenders with default aversion assistance, collects on defaulted loans for the Department of Education, and provides college information services and financial literacy education to our students on a statewide basis.

"I love the Guarantor's role of helping students gain the information they need to attend higher education," said Wally of his current work. "Unfortunately at today's prices, students generally need to borrow money to pay for school. I am proud that our organization is there to help students through the financial aid process."

Wally is a member of the North Dakota Association of Student Financial Aid Administrators (NDASFAA), the Rocky Mountain Dakota Association of Student Financial Aid Administrators (FMASFAA), the National Council of Higher Education Loan Programs (NCHelp) and is a charter member of the North Dakota Jump\$tart Coalition. He has served and is currently serving in committees and as a board member, as well as held officer positions for several of those organizations.

In 2009, Wally received the NDASFAA President's Award, given in appreciation of his dedication and commitment to students and the financial aid profession.

He most enjoys the professional people he works with daily who excel in customer service and are always willing to help each other.

Wally and his wife have three grown daughters; two are a set of twins. His twins are both expecting; one is carrying twins! As he and his wife anxiously await their new role as grandparents, he also likes to watch movies, attend high school sporting events and play piano. ≡

Wally Erhardt

Associate Director of SLND

Years with BND: 21

werhardt@nd.gov



Brad Thompson

Loan Officer, Lending Services

Years with BND: 10

bthompson@nd.gov



Brad Thompson

Brad Thompson has spent the past 10 years of his professional career in Lending Services at Bank of North Dakota. After growing up on a farm, Brad pursued his degree in Agriculture Economics and eventually began a banking career in Watford City as an agriculture loan officer.

In 2008 after spending the majority of his time at BND as an agriculture loan officer, Brad made a switch to commercial lending.

"I've always liked the diversity of my job here," explained Brad. "The diversity of people you work with from customers to bankers, and the great relationships you build with other bankers across the state."

Since making the switch from agriculture lending, Brad has enjoyed working with the different programs set up for commercial lending at BND, as well as developing new relationships in the southwest region of North Dakota that he now serves. The Flex PACE program has been his most utilized program in the past year, which has allowed him to assist in start-up and expansion of businesses in North Dakota – something that is very rewarding to him.

Brad serves as an alumni advisor for the Graduate School of Banking at Colorado, and his time away from work is spent with his family. Hunting and fishing are favorite family activities with his wife, three-year old daughter, and his "first kid," their dog, Thor. Brad and his wife are expecting their second child in March. ≡

BND Honored at Military Employer Recognition Ceremony

At the beginning of December, JoAnn Marsh, IT Development manager at Bank of North Dakota, was presented with “My Boss is a Patriot Award” during a Military Employer Recognition Ceremony. Larry Anderson, representative of the Employer Support of the Guard and Reserve, presented the honor. Marsh was nominated for the award by BND application support specialist and soldier Michael Collins for her support of the National Guard and Reserve. Anderson and Eric Hardmeyer, BND president, also signed a “Statement of Support for the Guard and

Reserve” at the ceremony.

After the award presentation Major General David Sprynczynatyk spoke about the deployments the North Dakota National Guard has been involved in overseas and here in the state. He also spoke about the importance of supportive employers, families and motivated soldiers and airman to perform their missions.

Gen. Sprynczynatyk also presented Collins with a flood coin for his involvement through the Air National Guard in last spring’s flooding. ≡



Eric Hardmeyer, JoAnn Marsh, Larry Anderson, Michael Collins, Major General David Sprynczynatyk





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Bank of North Dakota *Happenings*

6th Graders Tour BND

Forty-two sixth graders from Pioneer Elementary School in Bismarck toured BND in December. As usual, the vault was a favorite stop and President Eric Hardmeyer fielded many questions relating to saving, the Bank and other topics. ≡



Leadership Launches for 2010

BND is once again providing a leadership training program for 12 Bank employees. The selection process concluded recently and participants will hone their leadership skills through a variety of workshops and complete a team project during the six-month program. This year's group project centers around developing a comprehensive action plan to assist BND in attaining its strategic goal of being the correspondent bank of choice. ≡

New Site for ND Jump\$tart

The North Dakota Jump\$tart Coalition, of which both BND and SLND are partners, proudly launched its new Web site in December. This new site is a one-stop shop for valuable financial literacy tools for North Dakotans of all ages. The numerous members and partners of ND Jump\$tart are busily adding resources to both the searchable clearinghouse of materials and the speakers bureau. Check out the new site at the same address – www.ndjumpstart.org – and consider a free membership to be active in statewide financial literacy efforts through ND Jump\$tart! ≡



The only state-owned bank in the nation, Bank of North Dakota is overseen by the Industrial Commission of North Dakota, consisting of Gov. John Hoeven as Chairman, Attorney General Wayne Stenehjem, and Agriculture Commissioner Doug Goehring.